

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Digital Audio Broadcasting Systems) MM Docket No. 99-325
And Their Impact On The)
Terrestrial Radio Broadcast Service)

To: The Commission

REPLY COMMENTS OF RADIO KINGS BAY, INC.

Radio Kings Bay, Inc. (“RKBI”), by its president, submits herewith its Reply Comments in response Comments proffered to the Commission by iBiquity Digital Corporation (“iBiquity”), Emmis Communications, Walt Disney Company and ABC, Inc., Bonneville International, National Association of Broadcasters (“NAB”), Cox Communications, Radio One, et. al., in the matter of the National Radio Systems Committee DAB Subcommittee’s “Evaluation of the iBiquity Digital Corporation IBOC System”.

In its NPRM dated November 1, 1999, the Commission outlined 10 tentative selection criteria for DAB system policy and sought public comment on these points. Those comments were due February 19, 2002. RBKI has no quarrel with the theoretical and technical proposition that DAB could substantially enhance radio service and the quality of such service provided to the radio listener. Accordingly, RKBI has supported the Commission’s efforts to pursue the adoption of a well-developed and thoroughly tested DAB system for the radio industry. In view of this degree of comfort that the Commission was on proper course, RKBI did not see the necessity to file initial Comments in this proceeding. Last week, however, and well after the Comments closing date, a heretofore undisclosed consequence related to the acceptance of iBiquity’s FM-IBOC system surfaced that must be called to your attention prior to the adoption of a single DAB standard. Accordingly the Commission’s acceptance of these Reply Comments is respectfully requested.

Contrary to the passionate Comments submitted by those who exhort the Commission to quickly adopt the test results of the iBiquity® hybrid mode FM-IBOC DAB system, RKBI now believes it to be both inappropriate and contrary to the public interest to move forward in adopting a final FM (and/or AM) DAB system in absence of a clear, concise understanding of the economic implementation costs to radio broadcasters. RKBI learned just recently that out of the murky bottom of iBiquity’s long range agenda for implementing its FM-IBOC technology, now comes the startling

revelation that broadcast stations would be required to remit a royalty license fee directly to iBiquity Digital Corporation. The fee formula is purported to be calculated by taking a station's annual FCC regulatory fee and multiplying that number by fifteen (15). These fees would be a flagrant addition to iBiquity's proprietary FM-IBOC system technology that would be licensed to both manufacturers of DAB radio broadcast transmission and processing equipment and to consumer electronics companies. In both manufacturing venues, such licensing fee costs are funneled back down to radio stations or consumer end users as part of equipment purchase pricing. The perverted notion of a FM-IBOC license royalty fee on individual radio stations clearly raises the bar for a potential Commission sanctioned shakedown of our business where no industry pattern for such egregious extortion previously existed.

What is the historical basis for leveling a license royalty fee on radio broadcasters for technological advancements within our industry? Certainly the issue never came before radio broadcasters or the Commission when a compatible FM Stereo system was conceived and implemented; so same with television broadcasters during the rollout of digital television conversion. There is absolutely no rational basis for DAB radio technology to be treated any differently than the previous technological advancements within the radio or television broadcast industry. The both novel and insulting proposition advanced by iBiquity that a DAB system should be treated like a per user Microsoft® software license is pure sophistry and nothing short of an Enron® caliber attempt to maximize corporate profits without any regard for broadcast operators like RKBI, a last-of-a-dying-breed "mom and pop" community radio station serving a small South Georgia market. According to a recent assessment conducted by the Georgia Association of Broadcasters, it will obligate the average radio station to spend approximately \$40,000.00 to technically convert its operation to DAB. That number alone weighs heavily upon this small market station as it looks to how it can economically afford the financial burden of implementing any DAB system that may be mandated by the Commission sometime in the future. To further entangle and escalate these transition costs, now come this destructive unfolding of iBiquity's contrivance to charge stations an FM-IBOC license royalty fee. It is therefore imperative that the Commission force the issue on DAB system royalty fees **before** a single system DAB standard is adopted. By not doing so, it is respectfully suggested that contrary to the public interest, DAB implementation will likely be seriously delayed as intense debate swells over both the legal foundation and inherent discrimination radio broadcasters would be forced to endure under a Commission mandated DAB system that includes a broadcast station license royalty fee.

Not unexpectedly, the unabashed, glowing comments filed in this proceeding by the previously identified entities -- Emmis, Disney/ABC, Bonneville, Cox, Radio One, et. al., -- are close-mouthed on the issue of DAB system license royalty fees. No wonder, these and other major group media conglomerates including Beasley, Citadel, Clear Channel, Cumulus, Entercom, Regent, Sega, Hispanic Broadcasters, and Viacom, each and all hold a financial stake in iBiquity Digital Corporation. And you won't hear a discouraging word from the National Association of Broadcasters ("NAB") either. For while NAB hoists their convenient, hide-behind flag of "anti-trust" for remaining mute on DAB royalty fees, dues payments from these groups represent substantial income for

that association and some of those same groups hold seats on the NAB Board of Directors. It doesn't take a rocket scientist to conclude why their sweet chorus all sing for a rapid rollout of DAB and, in particular, acceptance of iBiquity's FM-IBOC mode. It's called **return on investment!** A 'full speed ahead, damn the torpedoes' adoption of a single standard for DAB without fully considering the ethical and financial ramifications of license royalty fees on radio broadcasters will neither facilitate the timely implementation of DAB service, nor will it help to promote the Commission's goal of assuring the vitality of free, over-the-air radio broadcasting. RKBI urges the Commission to first squarely confront the acceptable parameters and limits of DAB technology licensing before it decides on the adoption of a single DAB standard.

Respectfully submitted,

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